Hill AFB EUL Questions & Answers

Q 1: What local incentives exist for a project of this nature?
A 1: Please refer to the Military Installation Development Authority (MIDA) and Governor's Office of Economic Development (GOED) briefings and the listed contacts for information about local incentives.

Q 2: What is Economic Development Zone Tax Increment Financing (EDTIF)?
A 2: Please refer to the GOED briefing and the listed state contacts for more information about tax credits.

Q 3: What type of incentive is Renewable Energy Development Initiative (REDI)?
A 3: Please refer to the GOED briefing and the listed state contacts for more information about state incentives.

Q 4: What are the issues with solid waste being considered renewable?
A 4: Municipal solid waste (MSW) is often considered renewable; however, it depends on individual state legislation. Utah does not have a renewable portfolio standard and MSW is not considered in the state's goals. Please contact the Office of Economic Development for more information.

Q 5: Do steam operations need to continue during the construction?
A 5: Yes, production throughout the year is necessary for the base to continue operations. Consumption is lower in summer.

Q 6: What is the fair market value of the existing structure?
A 6: Fair market value to be proposed by a developer is determined by the developer and included in any proposal submitted in response to the Request for Qualifications (RFQ). The Air Force prepared a Business Case Analysis (BCA) to independently assess fair market value. However, the Air Force does not publically release this report, just as it does not release internal government appraisals, pre- or post-award.

Q 7: Who can legally buy the electricity?
A 7: The utility or the installation can purchase the power generated by the project in accordance with applicable laws and regulations. Power may also be wheeled through the local utility provider and sold to another utility, fees apply.

Q 8: What are Rocky Mountain Power's (RMP) current price and terms for power since they are likely to be the best choice for buying the power due to the nature of the industry?
A 8: RMP has stated that the applicable tariff, Rate Schedule 37, applies to qualifying facilities with capacities of less than 100 MW. RMP is not the only off-

takers of power sold to the grid. Other areas of the Western U.S. purchase power through Pacific Corps' transmission system.

Q 9: Is there a limit to how much electricity can be produced?
A 9: There is no limit. An analysis was completed considering 60 MW. However, Hill AFB will consider other load amounts. Rocky Mountain Power has stated that it requires different processes for projects greater than 100 MW.

Q 10: Is the 100 MW cap on all projects on the base or on a case-by-case basis?
A 10: It is 100 MW per project (see previous question).

Q 11: What sort of back up is required for these facilities?
A 11: The current level and reliability of steam supply would need to be maintained.

Q 12: What is the anticipated waste fuel to be used as part of the waste energy project?
A 12: The Wasatch Integrated Waste Facility located adjacent to the base has a current capacity of 400 tons per day of municipal solid waste (MSW).

Q 13: Is Wasatch Integrated Waste partnered with Chevron?
A 13: Please contact Wasatch Integrated Waste Management or Chevron regarding any specific partner agreements that they may have.

Q 14: How does the sale of power work?
A 14: The offeror must explain the destination of the power in the proposal. Power can be sold to a third party, such as a utility, and may involve a privately negotiated power purchase agreement (PPA).

Q 15: How would negotiating a PPA and an EUL work?
A 15: AFRPA is responsible for the real estate EUL transaction and AFCESA is responsible for the Air Force PPA.

Q 16: Please explain the Air Force vision of the business deal.
A 16: The Air Force is seeking proposals for cogeneration and waste-to-energy projects that at a minimum provide current levels and reliability of steam. Proposals should demonstrate how the return value to the Air Force is maximized, while making a profitable project for the developer. This is a multi-step process. The first step is to determine the Highest Ranked Offeror (HRO) based on the Request for Qualifications (RFQ). Next, the Air Force will enter into exclusive negotiations with the HRO to develop final agreements as stated in section 6 of the RFQ.

Q 17: Is there a $50,000 fee to submit a proposal for this EUL?
A 17: There are no fees to submit a proposal. RFQ Section 3.1 states: *"In addition to the consideration agreed upon between the parties for the period in which the project produces electricity, upon signing the Agreement to Lease, the HRO will pay the Air Force a non-refundable lease option fee of $50,000 prior to signing and on the anniversary date of the Agreement to Lease signing until construction is complete. The lease option fee and annual fees are intended to encourage continuous project development and are not associated with any in-kind consideration received for the lease. If for any reason the project is not completed, all fees will be forfeited by the Offeror."*

Q 18: Is the steam and electrical generation separate?
A 18: The cogeneration plants are powered with natural gas and can produce steam and electricity at variable ratios. The waste-to-energy portion of the EUL project is fueled by municipal solid waste (MSW) and could generate electricity and steam. A variety of combinations can be offered, and will be considered in accordance with the RFQ.

Q 19: Is there a guaranteed need for steam?
A 19: The installation needs steam and it is reasonably expected that this need will continue.

Q 20: What are Hill's current terms with utilities?
A 20: Currently, the relationship with Wasatch Integrated Waste is for one year with four options. Electricity and gas contracts are for an indefinite quantity over an indefinite time.

Q 21: What is the potential for MIDA to be involved?
A 21: Please refer to the MIDA briefing and the listed contacts for more information about MIDA's involvement.

Q 22: Is there a published wheeling tariff in order to sell power to other utilities in the U.S.?
A 22: Yes, please refer to the Rocky Mountain Power website for more information.

Q 23: Does the Davis Burn plant operate in the black financially?
A 23: According to Nathan Rich of Wasatch Integrated Waste Management, the plant operates on a fee-based system under a separate budget from the county and is operating debt-free covering all operating costs.

Q 24: How much of the steam line is above-ground and how much is below?
A 24: The base in general is about 75% above-ground; however, Buildings 825 and 260 have a majority of the infrastructure for the steam below-ground.

Q 25: How often is the burn operation in the steam interrupted and how can that be minimized?
A 25: It varies. During normal operations it is about 95% available with two units and rarely completely interrupted. However, it is typical to have a monthly outage on either of the two units. Despite its age, it is working well, with scheduled replacement on tubes, usually in summer.

Q 26: Are there any plans for expansion?
A 26: There are no direct plans for expansion. There is limited additional steam demand from the installation. Demand is seasonal.

Q 27: Clarify "Maximize resources and achieve energy independence."
A 27: This statement refers to the Air Force energy goals of reducing demand, increasing production, and increasing energy awareness as part of national security. These are AF goals and not part of the evaluation criteria in Section 5.0 of the RFQ.

Q 28: How confident are you on the new timeline?
A 28: The challenge in meeting the timeline is addressing the 30-day Congressional Notification mandated by Congress for a project of this nature. No issues are anticipated; however, the package must be available to Congress for questions for 30 days. After the 30 day Congressional Notification, the Air Force will post the Request for Qualifications (RFQ). Once the RFQ is closed, the Air Force team immediately begins the selection process for a Highest Ranked Offeror.

Q 29: Will Hill AFB make available any emission credits from existing operations for a future cogeneration facility?
A 29: There are no guarantees, but if it is lucrative the installation will consider it.

Q 30: How does Title V permitting work?
A 30: The installation will maintain control over the Title V permit since it already has the permit for Hill AFB and will include this in negotiations with the HRO. There is no intent to require the developer to get a Title V permit.

Q 31: What is the timeframe for preparation and execution of a PPA?
A 31: In general, the timeframes for preparation and execution of PPAs vary with each project. At this time, there is not a plan to execute a PPA as part of this project. The Air Force must comply with 40 USC 591 and will evaluate whether any future PPA would be appropriate in relation to this project.

Q 32: What is the annual electrical load profile for the installation?

A 32: This information is provided for FY08 & FY09 in the spreadsheets titled "FYxx ELEC DEMAND PROFILE"

Q 33: What is the electrical load profile for the installation on a typical day?
A 33: This information is provided for a typical winter and summer day in the spreadsheets titled "xxx 09 Typical Day Elec Profile"

Q 34: What is the annual steam load profile for the facilities served by Bldg. 260 & Bldg. 825?
A 34: This information is provided for FY08 & FY09 in the spreadsheets titled "260-825 Steam Profile FYxx"

Q 35: What is the operating pressure & temperature of the installation steam plants and the waste-to-energy plant?
A 35: The installation steam plants and the waste-to-energy steam plant operate at nominal pressure of 120 psig and a nominal steam temperature of 350 F. This information is also included on the steam profile spreadsheets.

Q 36: What is the total installed capacity of existing emergency generators?
A 36: The existing installed generator capacity includes approximately 65 units with a nominal capacity of 23,430 KW.

Q 37: What is the annual tonnage of waste generated by Hill AFB?
A 37: The annual tonnage of all waste (commercial, rolloff, compacted, recycling-organic, recycling-inorganic) generated at Hill AFB is approximately 5,800 tons.

Q 38: What is the disposition of this waste (i.e. does it all go to the Wasatch plant)?
A 38: Commercial waste and compacted waste (includes food waste) goes to the Wasatch integrated waste management district energy recovery facility.

Q 39: What recycling programs exist at Hill?
A 39: Recycling containers for cardboard, paper, and plastics are located across the installation.

Q 40: Who manages the recycling program?
A 40: The recycling program is included as a line item in the waste management contract, managed by the 75 civil engineering squadron.

Q 41: What is the annual tonnage of recycling at the Base?
A 41: The recycling program generates approximately 45 tons/yr of inorganic waste and 1100 tons/yr of organic waste.

Q 42: Are there other waste streams apart from the above (i.e. food waste, green waste, hazardous chemicals, construction and demolition, etc.)?
A 42: Green waste is managed by the grounds contractor who composts the waste and reuses it across the installation. Disposition of all hazardous materials & chemicals are managed by the Environmental Management Directorate. Construction and demolition waste averages about 600 tons/yr and is categorized as "rolloff" which is typically delivered to the Hill AFB landfill.

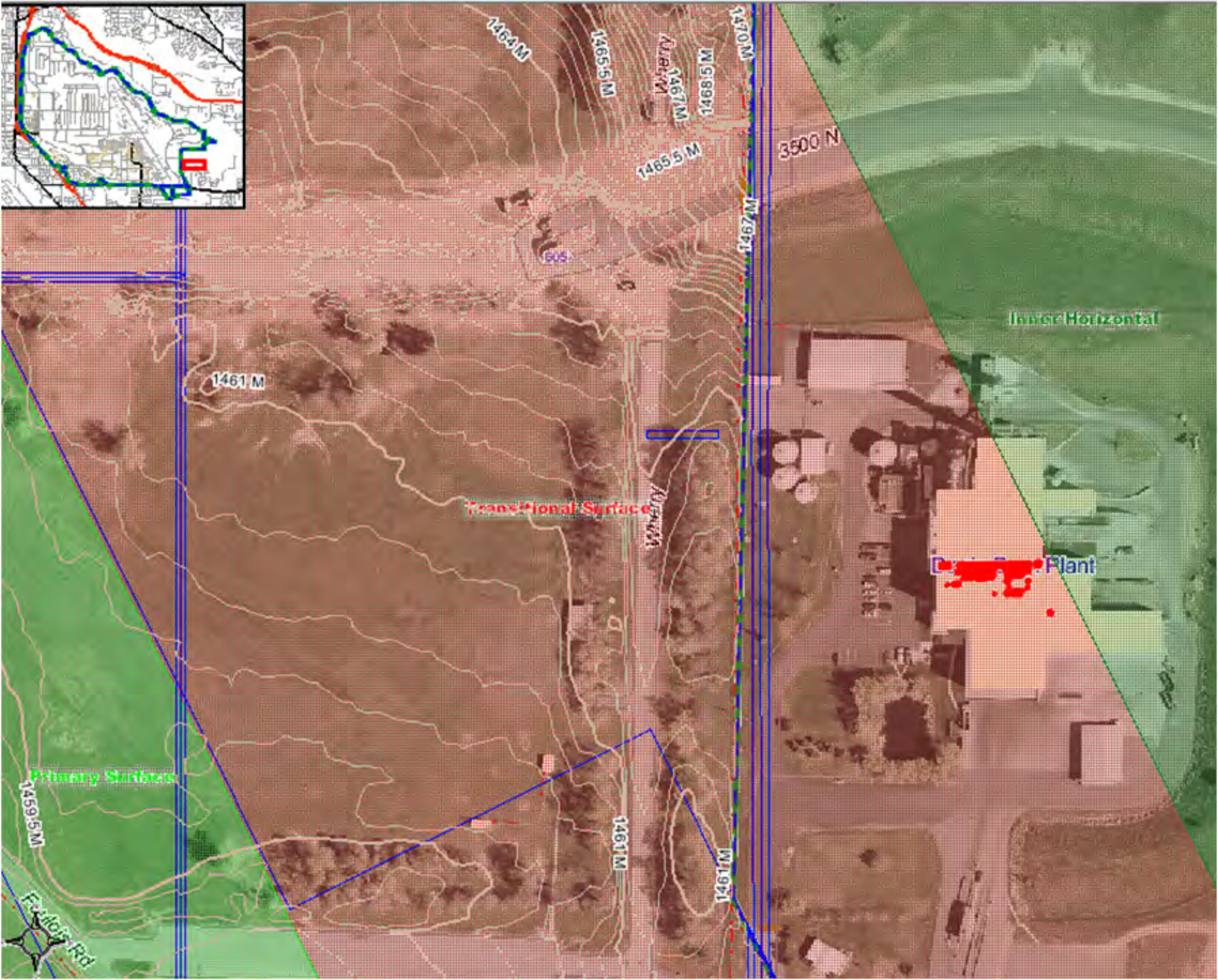
Q 43: What is the generating capacity of the existing landfill gas generator located on the Base?
A 43: The existing landfill gas to electricity generation plant has a capacity of 2.3MW.

Q 44: What type of generator is it?
A 44: The landfill gas to electricity generation plant has three (3) international combustion engine generators; 2 caterpillar and 1 Jenbacher

Q 45: What volume of landfill gas is consumed annually by the above Generator?
A 45: Annual consumption is estimated at 130,000 decatherms/yr.

Q 46: Please provide details on the application of the height gradient limitations on the 6.5 acre site adjacent to the Wasatch burn facility.
A 46: The attached figure shows the approximate height limitations for the 6.5 acre site. The exact height calculation for any location can be computed by taking the perpendicular distance from the edge of the runway. It is limited to ground level for the first 1000 ft as shown in green in the lower left hand corner of the figure. From the one thousand foot mark the maximum height increases one foot for every seven feet as measured from the edge of the runway. Since this land is on a slight uphill, as seen by the contour lines, the height from the ground is 5 to 15 feet less than what would be expected if the land was flat from the runway to the edge of the base.

Q 47: Please provide ATFP setback requirements relative to the new gate located on 6th Street.
A 47: The gate needs line of site of the entire roadway to the corners of the fence. There are not specific ATFP setback requirements from gates. If the contractor decides to move the fence so the waste-to-energy facility is not on the base there should not be any ATFP setback requirements. If the contractor decides to keep the waste-to-energy facility on the base it will need to have a 25M^2 buffer to the fence.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